

By: Bell of Kaufman

H.B. No. 1476

A BILL TO BE ENTITLED

AN ACT

relating to a vendor's remedies for nonpayment of a contract with this state or a political subdivision of this state.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 2251.042, Government Code, is amended by amending Subsection (a) and adding Subsection (d) to read as follows:

Sec. 2251.042. DISPUTED PAYMENT. (a) A governmental entity shall notify a vendor of an error or disputed amount in an invoice submitted for payment by the vendor not later than the 21st day after the date the entity receives the invoice, and shall include in such notice a detailed statement of the amount of the invoice which is disputed.

(b) If a dispute is resolved in favor of the vendor, the vendor is entitled to receive interest on the unpaid balance of the invoice submitted by the vendor beginning on the date under Section 2251.021 that the payment for the invoice is overdue.

(c) If a dispute is resolved in favor of the governmental entity, the vendor shall submit a corrected invoice that must be paid in accordance with Section 2251.021. The unpaid balance accrues interest as provided by this chapter if the corrected invoice is not paid by the appropriate date.

(d) The governmental entity may withhold from payments required no more than 110% of the disputed amount.

1 SECTION 2. Section [2251.042](#), Government Code, as amended by
2 this Act , applies only to a contract entered into on or after the
3 effective date of this Act. A contract entered into before that date
4 is governed by the law in effect on the date the contract was
5 entered into, and the former law is continued in effect for that
6 purpose.

7 SECTION 3. This Act takes effect September 1, 2021.